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Secord supervised foreign arms sales

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Retired Maj. Gen. Richard V. Secord's last full-time Defense Department job was in a little-known division that supervises arms sales to many foreign countries and that employed several people whose names have surfaced in the Iran-Contra affair.

Gen. Secord reportedly played a key role in the diversion of proceeds from the sale of U.S. arms to Iran to the Nicaraguan resistance. He retired in May 1983 as a deputy assistant defense secretary at the department's International Security Affairs section.

Gen. Secord oversaw Near Eastern and South Asian affairs at ISA, according to the Congressional Directory.

Between July 11, 1983, and Nov. 11, 1984, after his retirement, Gen. Secord was authorized to serve as consultant to ISA for a total of 220 days at \$242 a day. But Pentagon records show that he "did not serve any days in pay status," a spokesman said. Gen. Secord, however, was a member of a special operations advisory group until his term expired last August.

Federal investigators have said privately that Gen. Secord, 54, is under investigation in connection with the transfer of money, through Swiss bank accounts and international arms merchants, from Iran to the resistance fighting Nicaragua's Sandinista government.

The ISA, where Gen. Secord worked, formulates policy on political-military activities for non-European countries and also "provides supervision in the areas of security assistance [i.e., foreign military sales and military assistance programs] ..." the official U.S. Government Manual states.

Within the division is the Defense Security Assistance Agency, which

actually administers weapons shipments.

In his ISA job, Gen. Secord lobbied, in 1981, for the \$8.5 billion sale of the AWACS surveillance planes to Saudi Arabia. He reportedly worked on the project with Lt. Col. Oliver L. North, the National Security Council aide who was fired for his role in the Iran-Contra case.

At ISA, Gen. Secord worked with Noel C. Koch and Nestor D. Sanchez, both of whom held the title of deputy assistant secretary, the 1983-1984 Congressional Directory shows.

A month after Gen. Secord officially left ISA, James A. Kelly joined the staff as a deputy assistant secretary for East Asian and Pacific affairs, Pentagon records show.

Since March, Mr. Kelly, a former Navy officer, has been a special assistant to President Reagan on the National Security Council, handling Asian affairs. Mr. Kelly's brother, John, is the U.S. ambassador to Lebanon.

Secretary of State George P. Shultz summoned John Kelly back this week after learning that he had held secret, back-channel talks in October and November with Col. North and Gen. Secord about the American hostages in Lebanon.

Mr. Sanchez, head of ISA's Latin America section, is a former CIA officer, who, sources have told The Associated Press, was involved in a private supply network helping the Contras after Congress cut off military assistance in 1984. The sources spoke only on condition they remain anonymous.

Retired Gen. John Singlaub, another Contra supporter, said two years ago that his efforts to send supplies to the rebels had the backing of the White House, the Pentagon and the State Department.

"I've worked [at the Pentagon] with ... Sanchez," he said.

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